

## **APPENDIX 1 – OUTLINE OF THREE INVESTMENT SCENARIOS USED**

### **‘Decent Homes’**

A basic investment level, stretching all building components to their realistic maximum life. For example, kitchens replaced every 20 years, bathrooms, windows and external doors replaced every 30 years.

Includes an allowance of £1M per year for Estates Pride type work. This would not allow any significant enhancement of the estate environment, as most or all of this money would be needed for basic maintenance of estate items such as paths, boundaries, hard landscaped areas, etc. The cost of maintaining estate items like this is not taken account elsewhere, as a stock survey looks at houses and blocks, not estate works. A realistic allowance has to be made for estate maintenance.

Includes an allowance of £700k per year for adapting homes for disabled tenants. This is the current level of expenditure, which struggles to keep up with demand.

Insulation costs only include to provide loft and cavity wall insulation where there is none, or to top up very low levels of existing loft insulation (100mm or less). Does not allow for any insulation of solid walls.

### **‘Decent Homes Plus’**

An intermediate standard, which reduces the expected lifecycle of a few key components. Kitchens replaced every 15 years, bathrooms every 20, windows and doors every 25.

Includes an allowance of £2M per year for Estates Pride type work. This increased level would start to allow for planned improvements to the environment of estates.

Includes a slightly increased allowance for disability adaptations of £850k per year.

Insulation costs now include to top up existing 150mm loft insulation, which is very common, bringing it up to a modern standard of around 300mm. Still no solid wall insulation, which is a very high cost item.

### **‘Aspirational’**

The highest level modelled. Same lifecycles for components as ‘Decent Homes Plus’ as there is little benefit in reducing them further.

But includes an allowance of £3M per year for Estates Pride type work. This would allow for planned improvements and some remodelling of estate environments.

Also includes an additional allowance of £1M for remodelling and/or major refurbishments to blocks, flat complexes or sheltered schemes, similar to the current Rebecca House project.

Includes an increased allowance for disability adaptations of £1M per year.

Insulation costs now also include to insulate solid walls that have not previously been insulated, nearly all of which would be pre-war homes. However, still does not include for retro-fitting renewable energy systems to reduce energy costs or emissions.

### **Summary costs tables** (set out in Appendices 2, 3 & 4)

An explanation of some of the cost headings used:

Catch up repairs – One-off problems noted by stock condition surveyors.

Planned maintenance – Capital Programme funded major works, typically periodic replacements of major components such as kitchens, roofs, windows, heating systems, etc.

Planned repairs – Revenue funded work, typically periodic replacement of relatively minor external components, such as fences, gutters, render, gates, etc. These are dealt with as part of the cyclical maintenance package of external repairs that are done prior to the external painting cycle. The work is part of the Repair Account.

Unaccounted DHS costs – There are a few things that cause DHS failures, but where the cost isn't attributed to the replacement of a building component. The one-off costs of rectifying such situations are captured here.

Cyclical, responsive and voids – Mostly this is Repair Account work, including responsive repairs, re-let work to vacant properties, equipment servicing, cyclical external painting and grounds maintenance.

Exceptional extensive work – Significant costs not captured elsewhere. We have included major refurbishment costs for the remaining 'unmodded' homes of non-traditional construction, which are Wimpeys, Unities and cast iron houses. We've also included asbestos removal costs.